GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2419
ANSWERED ON:04.08.2015
Implementation of NFSA
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the requirement of foodgrains is likely to increase substantially after the complete implementation of the National Food Security Act (NFSA), if so, the details thereof indicating the percentage of population likely to be covered along with the foodgrains and funds required annually for the purpose, State-wise;

(b) the likely impact of the implementation of NFSA on the food economy;

(c) whether the Government has received any suggestion/ recommendation to make food entitlement universal in one fourth of the poorest districts/blocks of the country, if so, the details thereof and the response of the Government thereto; and

(d) recommendations made by the Shanta Kumar Committee regarding implementation of NFSA along with the action taken thereon?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)
(a) & (b): The annual requirement of foodgrains for implementation of the National Food Security Act, 2013 (NFSA) is estimated at 614.4 lakh tons, which is about 50 lakh tons more than the estimated annual requirement of foodgrains for erstwhile Targeted Public Distribution System (TPDS) and other foodgrains based welfare schemes. The average annual procurement of wheat and rice during 2009-10 to 2013-14 has been 618.6 lakh tons. At the current levels of production and procurement of foodgrains, the requirement of foodgrains under NFSA is likely to be met domestically and no substantial impact on the food economy is foreseen.
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NFSA provides for coverage of upto 75% of the rural population and upto 50% of the urban population at the all India level to receive foodgrains at subsidised prices under TPDS, corresponding to which State-wise percentage coverage determined by the Central Government is at Annexure. State-wise estimated allocation of foodgrains under the Act is indicated in Schedule IV to the Act. Food grains under TPDS and Other Welfare Schemes are allocated by the Central Government to the States/Union Territories (UTs) at applicable subsidised prices and subsidy burden is borne by the Central Government. Annual food subsidy implication of complete implementation of the Act at 2014-15 costs is estimated to be around Rs. 1,31,086 crore.

(c): Large number of suggestions/comments were received from various stakeholders from time to time, which included universal coverage under NFSA. The coverage and entitlements under the Act are keeping in view the recent trends in production and procurement of foodgrains.

(d): The High Level Committee (HLC) set up by Government of India on re-structuring of Food Corporation of India under the chairmanship of Shri Shanta Kumar, in its report gave certain recommendations on NFSA related issues. These recommendations include deferment of implementation of NFSA in States that have not done end to end computerization, have not put the list of beneficiaries online, and have not set up vigilance committees to check pilferage from PDS; reduction in coverage of population under NFSA from current 67% to around 40%; increase in entitlement of foodgrains for priority households from 5 Kg to 7 Kg per person; linking of issue price for priority households to Minimum Support Price (MSP); etc. There is no proposal for amending the related provisions of the NFSA. As regards deferment of the Act to check pilferage from PDS, Department of Food and Public Distribution has issued instructions to States/UTs to complete various preparatory measures, which includes completion of end-to-end computerization of TPDS operations, before implementation of NFSA.

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